

810-8-5-.07 Bond for New Motor Vehicle Dealers, Used Motor Vehicle Dealers, Motor Vehicle Reconditioners, Motor Vehicle Rebuilders, or Motor Vehicle Wholesalers.

(REPEALED)

(1) PURPOSE: Section 40-12-398, Code of Alabama 1975, requires motor vehicle dealers, motor vehicle reconditioners, motor vehicle rebuilders, and motor vehicle wholesalers to deliver to the Commissioner a good and sufficient surety bond in the sum of \$25,000 for a new motor vehicle dealer and \$10,000 for all other dealers. This rule amends the existing bond forms and establishes the new forms of the bonds to be received from each license applicant.

(2) BOND FORM: The bond form must be in a form as prescribed in the attached appendices and the surety company shall provide the following information:

(a) The true legal name of the party for whom a bond is being sought, as follows:

(i) If an individual, the applicant's name as well as well as the business name.

(ii) If a partnership, the names of all partners and the name of the partnership.

(iii) If a limited liability company, the names of all members and the name of the company.

(iv) If a corporation, the corporate name.

(b) The city, county and state in which the business is located.

(c) The name and address of the surety company providing the coverage.

(d) The effective date and the expiration date of the bond coverage. (See Section 4)

(e) The issue date of the bond.

(f) The original signature of an agent of the surety company.

(g) The original signature of an Alabama resident agent.

(h) The signature of the applicant (individual), all partners, all members of the LLC or a corporate officer.

(i) The telephone number of the Alabama resident agent.

(3) BOND REQUIREMENTS:

(a) The bond must be accompanied by an original power of attorney form, indicating that the agent is authorized to execute the bond on behalf of the surety company.

(b) The bond form and power of attorney must have the same issue date.

(c) The bond form shall be an original with original signatures. No facsimiles, photocopies, letters or phone calls are acceptable substitutes for the original bond.

(4) COVERAGE PERIOD: The coverage may not be for a period of more than one year. It must not begin prior to October 1 and must expire on September 30 of the same license year.

(5) Beginning with the license year 2002/2003, the forms in the appendices must be used. All prior versions are obsolete. (Adopted through APA effective February 21, 2003)

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Authority: Sections 40-2A-7(a)5 and 40-12-398, Code of Alabama 1975

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